

Mineral Industry Surveys

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GOLD IN JULY 2006

U.S. mines produced 20,100 kilograms (kg) of gold in July, equivalent to that of June, according to the U.S. Geological Survey. The daily production rate of gold in July was 650 kg, 9% lower than the 2005 annual average daily production rate of 713 kg and 3% less than the June average rate of 670 kg.

Engelhard Industries' average gold price for July was \$636.62 per troy ounce, 6% more than the average June price.

On July 24, Barrick Gold Corporation (Toronto, Ontario, Canada) announced that it had reached an agreement with Pioneer Metals Corporation (Vancouver, British Columbia, Canada) to offer cash for all of the issued and outstanding shares of Pioneer Metals. Pioneer had exploration projects and other interests, including the Grace property, which is adjacent to NovaGold Resources Inc.'s (Vancouver) Galore Creek project in British Columbia, Canada. On the same day, Barrick announced its offer to acquire all the outstanding shares of NovaGold. The proposed transaction was valued at \$1.29 billion and would increase Barrick's share of the Donlin Creek project in Alaska and the Galore Creek project to 100%. NovaGold had made an offer in June to acquire Pioneer, which was set to expire on July 25. If both transactions are completed,

Barrick's measured and indicated gold reserves in North America will rise by 54% (Barrick Gold Corporation, 2006a, b).

According to the China Gold Association, China produced 20,500 kg of gold in May, which brought the year-to-date total to 88,800 kg of gold, or 12% greater than gold production during the same period in 2005. China's State Development and Reform Commission estimated that China's gold production would rise by 10% in 2006 (Beijing Antaika Information Development Co., Ltd., 2006 a, b).

References Cited

- Barrick Gold Corporation, 2006a, Barrick announces cash offer for NovaGold: Toronto, Ontario, Canada, Barrick Gold Corporation press release, July 24, 4 p.
- Barrick Gold Corporation, 2006b, Pioneer agrees to be acquired by Barrick: Toronto, Ontario, Canada, Barrick Gold Corporation press release, July 24, 3 p.
- Beijing Antaika Information Development Co., Ltd., 2006a, CGA—China yields 88.802t of gold in Jan.-May: China Metal Market—Precious & Minor Metals Monthly, no. 78, August, p. 3.
- Beijing Antaika Information Development Co., Ltd., 2006b, CGA—Gold output expected to rise by 10% in 2006: China Metal Market—Precious & Minor Metals Monthly, no. 78, August, p. 3.

TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD IN THE UNITED
STATES, BY STATE¹

(Kilograms)

	Nevada	Other States ²	Total
<u>2005:^p</u>			
July	18,100	3,520 ^r	21,600 ^r
August	19,700	3,870 ^r	23,600 ^r
September	19,600	3,930 ^r	23,600 ^r
October	18,700	3,440 ^r	22,200 ^r
November	18,100	3,650 ^r	21,700 ^r
December	19,500	3,420 ^r	22,900 ^r
January-December	217,000	43,700 ^r	260,000 ^r
<u>2006:</u>			
January	15,200	3,170 ^r	18,400 ^r
February	14,800	3,390 ^r	18,200 ^r
March	18,400	4,110 ^r	22,500 ^r
April	16,000	4,100	20,100
May ^r	15,400	4,630	20,100
June ^r	15,600	4,460	20,100
July	15,500	4,670	20,100
January-July	95,300	24,200	119,000

^pPreliminary. ^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico, South Dakota, Utah, and Washington.

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2005:	
Low/date	412.45 Feb. 8
High/date	538.06 Dec. 12
Average	446.20
2006:	
May:	
Low/date	643.99/26
High/date	726.88/12
Average	676.44
June:	
Low/date	568.61/20
High/date	643.54/5
Average	597.81
July:	
Low/date	607.38/24
High/date	665.03/14
Average	636.62
Year to date:	
Low/date	526.29 Jan. 5
High/date	726.88 May 12
Average	598.53
Handy and Harman:	
2005, average	
	444.79
2006:	
May	673.97
June	596.15
July	634.89
Year to date	596.69
London Final:	
2005, average	
	444.88
2006:	
May	675.39
June	596.15
July	633.71
Year to date	596.83

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD¹

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates ²	Doré and precipitates	Refined bullion ³	Total ⁴	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2005	1,630	234,000	105,000	341,000	27,300	1,990	29,500
2006:							
April	1	11,300	10,600	21,900	4,010	167	8,310
May	139	11,000	12,400	23,500	4,520	42	9,050
June:							
Brazil	--	--	202	202	--	--	--
Canada	373	--	5,180	5,550	142 ⁵	6 ⁵	--
Chile	--	2,050	500	2,550	--	--	--
Colombia	--	228	333	560	1,780	--	--
Costa Rica	--	33	--	33	147 ⁵	--	--
Dominican Republic	--	--	--	--	584 ⁵	148 ⁵	--
Germany	--	--	--	--	--	2 ⁵	229 ⁵
Guatemala	--	1,240 ⁵	--	1,240	--	--	--
Honduras	--	536	--	536	111 ⁵	--	--
Israel	--	--	--	--	--	107 ⁵	--
Japan	--	--	--	--	--	--	379 ⁵
Mexico	--	138 ⁵	3,810	3,950	861 ⁵	4 ⁵	--
Nicaragua	--	194	2	196	31 ⁵	--	--
Peru	--	4,400	--	4,400	--	--	--
Other	1	34 ⁵	160	195	169 ⁵	1 ⁵	--
Total	374	8,850	10,200	19,400	3,830	267	608
Year to date	528	71,500	67,900	140,000	23,600	705	22,900
Exports:							
2005	1,380	141,000	182,000	324,000	563,000	687	1,310,000
2006:							
April	45	14,000	8,250	22,200	63,700	3	122,000
May	47	9,740	19,000	28,800	102,000	78	123,000
June:							
Canada	--	--	20	20	13,400	--	53,400 ⁵
China	--	--	--	--	--	--	499 ⁵
Dominican Republic	26	--	--	26	--	--	7,190 ⁵
Germany	--	--	24	24	7,180	--	892 ⁵
Hong Kong	--	--	--	--	1,670	--	3,560 ⁵
Ireland	7	--	--	7	--	--	374 ⁵
Israel	--	--	--	--	--	--	4,170 ⁵
Korea, Republic of	--	--	--	--	--	--	161 ⁵
Malaysia	--	--	10	10	3	--	3,090 ⁵
Mexico	29	--	839	869	--	(6)	898 ⁵
Singapore	--	--	--	--	--	(6)	34,300 ⁵
Switzerland	--	12,100	819	12,900	--	--	--
Taiwan	--	--	--	--	--	--	6,260 ⁵
United Kingdom	2 ⁵	--	20,500	20,500	21,500	1	869 ⁵
Other	2	--	75	77	100	36	--
Total	66	12,100	22,300	34,500	43,900	38	116,000
Year to date	1,670	68,900	103,000	174,000	327,000	217	671,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes gold content of base metal ores, concentrates, and matte imported for refining.

³Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

⁴"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

⁶Less than ½ unit.

Source: U.S. Census Bureau.